




THE SEGAL COMPANY

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Thomas M. Morrison, Jr.
Senior Vice President
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MEMORANDUM

FROM: Thomas M. Morrison, Jr. 
TO: Board of Trustees -
Hawaii Public Employees Health Fund
RE: Proposed Renewal Rates 2003-2004

DATE: January 13, 2003

Attached is a comparison of the carriers' renewal actions. Included in the comparison are the current premium rates. The impact of these increases is a 9% increase to the active plan and 14.5% to the retirees rates.

Additionally, Kaiser has increased the office co-payment to \$10 per office visit. The drug plan will remain at \$10 per prescription for a 30-day supply; however, the mail order co-payment will increase from \$15 to \$20 for a 90-day supply.

The increase to the employers has been calculated with and without population growth and with and without Act 87A-33 retiree rate caps.

- > Without growth or retiree rate caps, the increase is \$60,879,060
- > Without growth but with rate caps, the increase is \$53,656,435
- > With growth (3%) and without retiree rate caps, the increase is \$73,954,345
- > With growth and with retiree rate caps, the increase is \$66,515,435

If there are questions, please call me directly.

TMM:RL/bg

Attachments
#159787

cc: Bert Nishihara, Administrator
Diane Erickson, Deputy Attorney General

159922/00543.001

Benefits, Compensation and HR Consulting ATLANTA BOSTON CHICAGO CLEVELAND DENVER HARTFORD HOUSTON LOS ANGELES MINNEAPOLIS
NEW ORLEANS NEW YORK PHILADELPHIA PHOENIX SAN FRANCISCO SEATTLE TORONTO WASHINGTON, DC

Multinational Group of Actuaries and Consultants AMSTERDAM BARCELONA GENEVA HAMBURG LONDON MELBOURNE MEXICO CITY OSLO PARIS

Premium Rates for Self and Family

Health Fund

2002-2003 through 2003-2004 Plan Years

Benefit Providers	2002 - 2003	Proposed 2003 - 2004	Percentage Change
<u>Kaiser</u>			
<u>Actives -</u>			
Self	\$ 192.52	\$ 217.72	+ 13.1 %
Family	\$ 577.56	\$ 653.16	+ 13.1 %
<u>Retirees -</u>			
Medicare - Self	\$ 113.68	\$ 138.76	+ 22.1 %
Medicare - Family	\$ 340.92	\$ 416.20	+ 22.1 %
Non-Medicare - Self	\$ 269.52	\$ 304.84	+ 13.1 %
Non-Medicare - Family	\$ 808.48	\$ 914.44	+ 13.1 %

Premium Rates for Self and Family

Health Fund

2002-2003 through 2003-2004 Plan Years

Benefit Providers	2002 - 2003	Proposed 2003 - 2004	Percentage Change
<u>HMSA</u>			
Medical Plan -			
<u>Actives -</u>			
Self	\$ 165.90	\$ 180.34	+ 8.7 %
Family	497.78	541.08	+ 8.7 %
<u>Retirees -</u>			
Medicare -			
Self	\$ 91.14	\$ 90.60	- 0.6 %
Family	299.26	297.46	- 0.6 %
Non-Medicare -			
Self	\$ 219.46	\$ 216.16	- 1.5 %
Family	612.74	603.54	- 1.5 %
Prescription Drug -			
<u>Actives -</u>			
Self	\$ 40.20	\$ 60.26	+ 49.9 %
Family	123.74	185.48	+ 49.9 %
<u>Retirees -</u>			
Medicare -			
Self	\$ 77.70	\$ 109.10	+ 40.4 %
Family	255.20	358.30	+ 40.4 %
Non-Medicare -			
Self	\$ 63.64	\$ 89.10	+ 40.0 %
Family	177.50	248.50	+ 40.0 %

Premium Rates for Self and Family

Health Fund

2002-2003 through 2003-2004 Plan Years

Benefit Providers	2002 - 2003	Proposed 2003 - 2004	Percentage Change
<u>Vision Care</u>			
VSP			
<u>Actives -</u>			
Self	\$ 5.80	\$ 6.35	+ 9.5 %
Family	11.40	12.48	+ 9.5 %
<u>Retirees -</u>			
Self	\$ 4.40	\$ 5.04	+ 14.5 %
Family	8.60	9.85	+ 14.5 %
<u>Life Insurance</u>			
Royal State			
<u>Actives</u>	\$ 4.16	\$ 4.16	0.0 %
<u>Retirees</u>	4.16	4.16	0.0 %

Premium Rates for Self and Family

Health Fund

2002-2003 through 2003-2004 Plan Years

Benefit Providers	2002 - 2003	Proposed 2003 - 2004	Percentage Change
<u>Dental Plans</u>			
Adult Dental - HDS			
<u>Actives -</u>			
Self	\$ 22.72	\$ 23.54	+ 3.6 %
Family	45.36	46.99	+ 3.6 %
<u>Retirees -</u>			
Self	\$ 24.84	\$ 26.61	+ 7.1 %
Family	49.68	53.22	+ 7.1 %
HMSA DMO			
<u>Actives -</u>			
Self	\$ 15.96	\$ 17.00	+ 6.5 %
Family	31.88	33.96	+ 6.5 %
<u>Retirees -</u>			
Self	\$ 19.00	\$ 20.24	+ 6.5 %
Family	38.08	40.56	+ 6.5 %
Children's Dental - HDS			
Per Child	\$ 14.96	\$ 15.57	+ 4.1 %
HMSA DMO			
Per Child	\$ 10.96	\$ 11.68	+ 6.6 %

